

Rider Comparison Packet

Conference Committee on House Bill 1

2020-21 General Appropriations Bill

Article III – Higher Education

HIGHER EDUCATION COORDINATING BOARD

Differences Only - Excludes Capital

House

- 28. Professional Nursing Shortage Reduction Program.** Appropriations for the Professional Nursing Shortage Reduction program total \$9,940,024 in fiscal year 2020 and \$9,940,024 in fiscal year 2021. Those funds shall be allocated as follows:

The Texas Higher Education Coordinating Board (THECB) shall allocate the funds appropriated in their bill pattern in Strategy F.1.6, as follows:

- a. Up to 5 percent each year may be used for administrative expenses.
- b. \$3,288,999 in fiscal year 2020 and \$3,288,999 in fiscal year 2021 shall be distributed in an equitable manner to institutions with nursing programs, including institutions graduating their first nursing class, based on increases in numbers of nursing student graduating. The THECB shall apply a weight of 1.5 for increased graduates in nursing educator programs identified with a Classification of Instructional Program code of 51.3808 and 51.3817. The THECB shall allocate up to 50 percent in each fiscal year of the biennium and any unexpended amounts to community colleges.
- c. \$4,530,025 in fiscal year 2020 and \$4,530,025 in fiscal year 2021 shall be distributed at a rate of \$10,000 per year for each additional nursing student enrolled in a professional nursing program to institutions with professional nursing programs based on the following criteria: (1) a graduation rate of 70 percent or above as reflected in the final 2018 graduation rates reported by the THECB and (2) an increase in new enrollees for fiscal year 2020 and in fiscal year 2021 of the first-year enrollments for the 2017-18 academic year as reported by the institutions to the Texas Center for Nursing Workforce Studies. The percentage increase required each year of the biennium shall be determined by the Higher Education Coordinating Board in consultation with eligible nursing programs. The methodology for determining the required percentage increase may allow for the required increase to vary by institution and account for the reallocation of unearned funds.
- d. \$2,121,000 in fiscal year 2020 and \$2,121,000 in fiscal year 2021 to (1) professional nursing programs with nursing graduation rates below 70 percent as reflected in the final 2018 graduation rates reported by the THECB, (2) hospital-based diploma programs, or (3) new professional nursing programs whose graduation rates which have not been determined by the THECB. From funds available for that purpose, institutions shall receive \$20,000 for each additional initial RN graduate in two year programs and \$10,000 for each additional graduate in one-year programs. If sufficient funds are not available to provide this allocation,

Senate

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- d. \$2,121,000 in fiscal year 2020 and \$2,121,000 in fiscal year 2021 to (1) professional nursing programs with nursing graduation rates below 70 percent as reflected in the final 2018 graduation rates reported by the THECB, (2) hospital-based diploma programs, or (3) new professional nursing programs whose graduation rates which have not been determined by the THECB. From funds available for that purpose, institutions shall receive \$20,000 for each additional initial RN graduate in two year programs and \$10,000 for each additional graduate in one-year programs. If sufficient funds are not available to provide this allocation, the THECB shall distribute the funds on a pro rata basis equally among the nursing programs participating. THECB shall develop an application process for institutions willing to increase the number of nursing graduates. The application shall indicate the number of nursing

HIGHER EDUCATION COORDINATING BOARD

Differences Only - Excludes Capital

(Continued)

House

the THECB shall distribute the funds on a pro rata basis equally among the nursing programs participating. THECB shall develop an application process for institutions willing to increase the number of nursing graduates. The application shall indicate the number of nursing graduates for initial licensure the institution will produce; indicate the number of payments and payment schedule; identify benchmarks an institution must meet to receive payment; and specify the consequences of failing to meet the benchmarks.

- e. For THECB expenditure purposes, any funds not expended in fiscal year 2020 may be expended in fiscal year 2021 for the same purposes. If an institution does not meet targets for purposes of subsections b, c, and d, the institution shall return these unearned funds to the THECB by the date specified by THECB rule. The THECB shall reallocate these funds to other qualified programs. All institutions receiving funds shall submit to the THECB a detailed accounting of funds received, obligated or expended.
- f. If the funds appropriated under Paragraphs b, c, or d exceed the funds that can be expended in accordance with the requirements of that paragraph, THECB may expend the excess funds for any purpose described in Paragraphs b, c, or d. The THECB may not include nonresident students who are enrolled in online professional nursing programs while residing outside of the state in methodologies used to calculate program awards described in Paragraphs b, c, or d.
- g. Using funds under (a), the Higher Education Coordinating Board shall study the effectiveness of the Professional Nursing Shortage Reduction Program in addressing the shortage of professional nurses in the state. This study shall be conducted in coordination with a work group convened by the THECB and composed of representatives from the state nursing association, Texas Board of Nursing, Department of State Health Services Center for Nursing Workforce Studies, nursing deans and directors from public and private institutions of higher education in the state (or individuals that serve in similar roles) and other stakeholders as appropriate. In conducting this study, the Coordinating Board shall examine the structure and efficiency of the program, as well as other state funding strategies to address the nursing shortage. The Coordinating Board shall report the results of this study as well as any recommendations to improve the state's efforts to address the nursing shortage to the Legislature by November 1, 2020. THECB may reimburse work group travel expenses pursuant to Article XI, Section 5.08.

Senate

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- f. If the funds appropriated under Paragraphs b, c, or d exceed the funds that can be expended in accordance with the requirements of that paragraph, THECB may expend the excess funds for any purpose described in Paragraphs b, c, or d. The THECB may not include nonresident students who are enrolled in online professional nursing programs while residing outside of the state in methodologies used to calculate program awards described in Paragraphs b, c, or d.

HIGHER EDUCATION COORDINATING BOARD

Differences Only - Excludes Capital
(Continued)

House

Senate

35. Texas Educational Opportunity Grant (TEOG) Program-Public Community Colleges. Out of the funds appropriated above in Strategy C.1.5, Texas Educational Opportunity Grant Public Community Colleges, the Higher Education Coordinating Board shall distribute funding to Public Community Colleges for the Texas Educational Opportunity Grant Program. For all funds appropriated above in Strategy C.1.5, Texas Educational Opportunity Grant Public Community Colleges, and funds transferred into the Texas Educational Opportunity Grant Program Public Community Colleges, any unexpended balances on hand at the end of fiscal year 2020 may be carried over to fiscal year 2021 for the same purpose.

Out of funds appropriated above, the Higher Education Coordinating Board shall develop a strategic plan to improve the outcomes of students eligible to receive or currently receiving a TEOG award. The strategic plan shall address:

- (a) persistence and completion;
- (b) the unique challenges that face students eligible to receive or are currently receiving a TEOG award;
- (c) structural inefficiencies of the TEOG program; and
- (d) increasing the respective rates of eligible students who receive a TEOG award.

The Higher Education Coordinating Board shall submit the strategic plan to the Governor, the Legislative Budget Board, and permanent committees in the House of Representatives and the Senate with jurisdiction over higher education by November 1, 2020.

36. Texas Educational Opportunity Grant (TEOG) Program-Public State and Technical Colleges. Out of the funds appropriated above in Strategy C.1.6, Texas Educational Opportunity Grant Public State and Technical Colleges, the Higher Education Coordinating Board shall distribute funding to Public State and Technical Colleges for the Texas Educational Opportunity Grant Program. For all funds appropriated above in Strategy C.1.6, Texas Educational Opportunity Grant-Public State and Technical Colleges, and funds transferred into the Texas

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HIGHER EDUCATION COORDINATING BOARD

Differences Only - Excludes Capital
(Continued)

House

Educational Opportunity Grant Program Public State and Technical Colleges, any unexpended balances on hand at the end of fiscal year 2020 may be carried over to fiscal year 2021 for the same purpose.

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- (a) persistence and completion;
- (b) the unique challenges that face students eligible to receive or are currently receiving a TEOG award;
- (c) structural inefficiencies of the TEOG program; and
- (d) increasing the respective rates of eligible students who receive a TEOG award.

The Higher Education Coordinating Board shall submit the strategic plan to the Governor, the Legislative Budget Board, and permanent committees in the House of Representatives and the Senate with jurisdiction over higher education by November 1, 2020.

39. Graduate Medical Education Expansion. Out of funds appropriated above in Strategy F.1.3, Graduate Medical Education Expansion, the Higher Education Coordinating Board shall allocate funds as follows:

- a. \$250,000 in fiscal year 2020 and \$250,000 in fiscal year 2021 in Strategy F.1.3, Graduate Medical Education Expansion, shall be used to award one-time graduate medical education planning and partnership grants to hospitals, medical schools, and community-based ambulatory patient care centers to develop new graduate medical education programs.
- b. \$61,212,500 in fiscal year 2020 and \$61,212,500 in fiscal year 2021 in Strategy F.1.3. Graduate Medical Education Expansion, shall be used to enable new or existing GME programs to increase the number of first year residency positions and provide support to

Senate

Educational Opportunity Grant Program Public State and Technical Colleges, any unexpended balances on hand at the end of fiscal year 2020 may be carried over to fiscal year 2021 for the same purpose.

39. Graduate Medical Education Expansion. Out of funds appropriated above in Strategy F.1.3, Graduate Medical Education Expansion, the Higher Education Coordinating Board shall allocate funds as follows:

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- b. \$61,212,500 in fiscal year 2020 and \$61,212,500 in fiscal year 2021 in Strategy F.1.3. Graduate Medical Education Expansion, shall be used to enable new or existing GME programs to increase the number of first year residency positions and provide support to

HIGHER EDUCATION COORDINATING BOARD

Differences Only - Excludes Capital
(Continued)

House

these positions through the biennium. Of these funds, \$0 in fiscal year 2020 and \$0 in fiscal year 2021 shall be used specifically to enable new or existing GME programs to increase the number of first-year positions in residency programs that prepare physicians for entry into primary care practices. The minimum per resident award amount is \$75,000.

- c. \$4,950,000 in fiscal year 2020 and \$4,950,000 in fiscal year 2021 in Strategy F.1.3, Graduate Medical Education Expansion, shall be used to award grants to graduate medical education programs to enable those programs that received a grant award in fiscal years 2014 and 2015 to fill first year residency positions that are unfilled as of July 1, 2013.
- d. \$12,187,500 in fiscal year 2020 and \$12,187,500 in fiscal year 2021 in Strategy F.1.3, Graduate Medical Education Expansion, shall be used to award grants to graduate medical education programs that received a grant award for the New and Expanded Graduate Medical Education Program in fiscal year 2015.

Any unexpended balances on hand at the end of fiscal year 2020 are hereby appropriated for the same purpose for fiscal year 2021.

Notwithstanding Article IX, Section 14.01 of this Act any funds identified above that remain unexpended and unobligated after the purposes stated in this rider have been reasonably addressed, may be transferred to the other programs identified by this rider.

- 44. B-On-Time Program-Private.** Funds appropriated above in Strategy C.1.3, B-On-Time Program-Private, are for renewal awards only. Any unexpended balances on hand at the end of fiscal year 2020 may be carried over to fiscal year 2021 for the same purpose. Any payments received on B-On-Time loans are appropriated to Strategy A.1.2 for the administration of the loan program. All renewal awards for B-On-Time loans to students who first received a B-On-Time loan for a semester or other academic term before the 2014 fall semester and who are enrolled at public two-year community colleges will be funded from B-On-Time General Revenue funds appropriated above.

Senate

these positions through the biennium. The minimum per resident award amount is \$75,000.

- c. \$4,950,000 in fiscal year 2020 and \$4,950,000 in fiscal year 2021 in Strategy F.1.3, Graduate Medical Education Expansion, shall be used to award grants to graduate medical education programs to enable those programs that received a grant award in fiscal years 2014 and 2015 to fill first year residency positions that are unfilled as of July 1, 2013.
- d. \$12,187,500 in fiscal year 2020 and \$12,187,500 in fiscal year 2021 in Strategy F.1.3, Graduate Medical Education Expansion, shall be used to award grants to graduate medical education programs that received a grant award for the New and Expanded Graduate Medical Education Program in fiscal year 2015.

Any unexpended balances on hand at the end of fiscal year 2020 are hereby appropriated for the same purpose for fiscal year 2021.

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- 44. B-On-Time Program-Private.** Funds appropriated above in Strategy C.1.3, B-On-Time Program-Private, are for renewal awards only. Any unexpended balances on hand at the end of fiscal year 2020 may be carried over to fiscal year 2021 for the same purpose. Any payments received on B-On-Time loans are appropriated to Strategy A.1.2 for the administration of the loan program. All renewal awards for B-On-Time loans to students who first received a B-On-Time loan for a semester or other academic term before the 2014 fall semester and who are enrolled at public two-year community colleges will be funded from B-On-Time General Revenue funds appropriated above.

Any unexpended balance remaining in the account before each fiscal year end, shall be transferred to the Tuition Equalization Grant Program and are hereby appropriated for the same purpose set

HIGHER EDUCATION COORDINATING BOARD

Differences Only - Excludes Capital
(Continued)

House

Senate

forth in Strategy C.1.4.

54. Northeast Texas Initiative. Out of funds appropriated above in Strategy E.1.4, Northeast Texas Initiative, \$1,250,000 in General Revenue for each fiscal year shall be used to contract with The University of Texas Health Science Center at Tyler to be used for the Northeast Texas Initiative.

57. Contingency for Senate Bill 63. Contingent on the passage of Senate Bill (SB) 63, or similar legislation relating to the creation of the Texas Mental Health Care Consortium, and included in the amounts appropriated above, the Texas Higher Education Coordinating Board (THECB) is \$50 million in General Revenue in fiscal year 2020 and \$50 million in General Revenue in fiscal year 2021 in Strategy A.1.9, Mental Health Care Consortium, to distribute to Texas medical schools for the purpose of implementing the following mental health initiatives as outlined in SB 63:

- (a) Improving access to services through the creation of Child Psychiatry Access Centers that will:
 - i. Provide behavioral health consultations to pediatricians and primary care providers to assist in meeting the needs of children and youth with behavioral health needs; and
 - ii. Establish or expand telemedicine or telehealth programs to identify and assess children and youth with behavioral health needs;
- (b) Addressing psychiatry workforce expansion;
- (c) Promoting and coordinating mental health research across state university systems and advancing the research component of the statewide behavioral health strategic plan.

THECB shall distribute these funds to medical schools based on the allocation determined by the mental health consortium executive committee established in Senate Bill 63, or similar legislation.

HIGHER EDUCATION COORDINATING BOARD

Differences Only - Excludes Capital
(Continued)

House

Senate

Funds appropriated in this section may not be used for administrative support at THECB.

Notwithstanding appropriation authority granted above, the Comptroller of Public Accounts shall not allow the expenditure of these funds, as identified in Art. IX, Sec. 10.04, Statewide Behavioral Health Strategic Plan and Coordinated Expenditures, if the Legislative Budget Board provides notification to the Comptroller of Public Accounts that the agency's planned expenditure of those funds in fiscal year 2020 or fiscal year 2021 does not satisfy the requirements of Art. IX, Sec. 10.04, Statewide Behavioral Health Strategic Plan and Coordinated Expenditures.

Any unexpended balances as of August 31, 2020, are appropriated for the same purpose for the fiscal year beginning September 1, 2020.

- 58. TSIA Enhancement and Success.** Funds appropriated above to Strategy D.1.7, TSIA Enhancement and Success, shall be used to establish a new online system for students to retrieve and send test results. Any unexpended balances as of August 31, 2020, are hereby appropriated for the same purpose for the fiscal year beginning September 1, 2020.

THE UNIVERSITY OF TEXAS SYSTEM ADMINISTRATION

Differences Only - Excludes Capital

House

Senate

2. Governing Board. None of the money appropriated by this Act, including General Revenue or the Available University Fund, may be used to pay or reimburse expenses of any unconfirmed members of the board of regents of The University of Texas System, including expenses for travel or for equipment such as communications equipment or computer equipment. This provision does not limit the expenditure of appropriated funds for travel, maintenance, operations, or equipment of system office employees or student regent.

3. Reporting Requirement for Capital Projects for The University of Texas System

Administration. By December 1 of each year, The University of Texas System shall submit a report to the Legislative Budget Board for the prior fiscal year that includes information on all capital construction projects paid for with funds appropriated by this Act, having a cost in excess of \$1,000,000 and having the purpose of directly supporting the administration and operation of The University of Texas System Administration or the Board of Regents of The University of Texas System. The report must include at a minimum for each capital project: (1) the purpose of the project; (2) the total cost of the project; (3) the source of funding for the project; (4) the savings achieved by the project; and (5) any other information requested by the Legislative Budget Board.

AVAILABLE UNIVERSITY FUND

Differences Only - Excludes Capital

House

Senate

6. Reimbursements. None of the money appropriated by this Act, including General Revenue or the Available University Fund, may be used to pay or reimburse expenses of any unconfirmed members of the board of regents of The University of Texas System, including expenses for travel or for equipment such as communications equipment or computer equipment. This provision does not limit the expenditure of appropriated funds for travel, maintenance, operations, or equipment of system office employees or student regent.

7. Reporting Requirements for System Office Operations and System Initiatives. In addition to the reporting requirements in Rider 5, The University of Texas System and Texas A&M University System shall report to the Legislative Budget Board no later than December 1 of each fiscal year additional information regarding the use of the Available University Fund for system office operations and system initiatives for the two previous fiscal years, the current fiscal year, and two future fiscal years (projected). The report shall include the following:

- a. Available University Fund support and maintenance allocations and expenditures for system office operations and system initiatives by activity (which must include an activity for the Board of Regents), including the object of expense detail for each activity, the number of full-time equivalents (FTEs) funded by the Available University Fund in each activity, a detailed description of the purpose and authority for each activity, and a reconciliation between Available University Fund allocations and expenditures each fiscal year including the resulting Available University Fund surplus or deficit;
- b. A detailed listing of the role and function of any FTEs included in the Board of Regents activity;
- c. A listing of funds outside of the Available University Fund, including gifts, donations, and other funds outside the treasury, used for each activity each fiscal year; and
- d. Any additional information requested by the Legislative Budget Board.

6. Reporting Requirements for System Office Operations and System Initiatives.

- a. In addition to the reporting requirements in Rider 5, The University of Texas System and Texas A&M University System shall report to the Legislative Budget Board no later than December 1 of each fiscal year additional information regarding the use of the Available University Fund for system office operations and system initiatives for the two previous fiscal years, the current fiscal year, and two future fiscal years (projected). The report shall include the following:
 - (1) Available University Fund support and maintenance allocations and expenditures for system office operations and system initiatives by activity (which must include an activity for the Board of Regents), including the object of expense detail for each activity, the number of full-time equivalents (FTEs) funded by the Available University Fund in each activity, a detailed description of the purpose and authority for each activity, and a reconciliation between Available University Fund allocations and expenditures each fiscal year including the resulting Available University Fund surplus or deficit;
 - (2) A detailed listing of the role and function of any FTEs included in the Board of Regents activity;
 - (3) A listing of funds outside of the Available University Fund, including gifts, donations, and other funds outside the treasury, used for each activity each fiscal year; and
 - (4) Any additional information requested by the Legislative Budget Board.
- b. Additionally, The University of Texas System and Texas A&M University System shall report to the Legislative Budget Board no later than February 28, May 31, and August 31 of each

AVAILABLE UNIVERSITY FUND

Differences Only - Excludes Capital

(Continued)

House

Senate

fiscal year an update of any changes to the information reported in subsection (a), including:

- (1) Expenditure amounts to date for the current fiscal year for each activity, including object of expense detail;
- (2) Updated Available University Fund allocations to system office operations and system initiatives for the current and two future fiscal years (projected), including any new activities and changes to existing activities, and an explanation for those changes;
- (3) A summary of any actions taken by the Board of Regents since the most recent report that relate to system office operations or system initiatives; and
- (4) Any additional information requested by the Legislative Budget Board.

THE UNIVERSITY OF TEXAS AT AUSTIN

Differences Only - Excludes Capital

House

8. Darrell K Royal Alzheimer's Initiative. Amounts appropriated above in Strategy D.1.1, Darrell K Royal Texas Alzheimer's Initiative, are funds trusteeed to The University of Texas at Austin, and The University of Texas at Austin may not transfer the amount appropriated to other purposes. All amounts, net of cost of administration, shall be allocated at the direction of the Texas Council on Alzheimer's Disease and Related Disorders as provided by Education Code §154.006 to the Consortium of Alzheimer's Disease Centers for the research activities of the consortium as part of the Darrell K Royal Texas Alzheimer's Initiative. Any unexpended balances at the end of fiscal year 2020 are hereby appropriated for the same purposes for fiscal year 2021.

Senate

8. Darrell K Royal Alzheimer's Initiative. Amounts appropriated above in Strategy D.1.1, Darrell K Royal Texas Alzheimer's Initiative, are funds trusteeed to The University of Texas at Austin, and The University of Texas at Austin may not transfer the amount appropriated to other purposes. All amounts, net of cost of administration, shall be allocated at the direction of the Texas Council on Alzheimer's Disease and Related Disorders as provided by law to the Consortium of Alzheimer's Disease Centers and for other disease-specific purposes that are part of the Darrell K Royal Texas Alzheimer's Initiative as approved by the Texas Council on Alzheimer's Disease and Related Disorders. Any unexpended balances at the end of fiscal year 2020 are hereby appropriated for the same purposes for fiscal year 2021.

PRAIRIE VIEW A&M UNIVERSITY

Differences Only - Excludes Capital

House

Senate

5. Juvenile Crime Prevention Center. Any unexpended balances from appropriations for the fiscal year ending August 31, 2019 in the Center for Study and Prevention of Juvenile Crime and Delinquency Account (GR Dedicated Fund 5029), estimated to be \$0, and included in the amounts above, are appropriated for the same purpose for the fiscal year beginning September 1, 2019. Any balances in Fund 5029 remaining as of August 31, 2020 are appropriated for the same purpose for the fiscal year beginning September 1, 2020. Fund 5029 revenues are estimated to be \$1,361,281 in fiscal year 2020 and \$1,361,281 in fiscal year 2021.

5. Juvenile Crime Prevention Center. Appropriations to Strategy C.3.1, Juvenile Crime Prevention Center, include \$1,361,281 in fiscal year 2020 and \$1,361,281 in fiscal year 2021 from the Center for Study and Prevention of Juvenile Crime and Delinquency Account No. 5029 (GR-Dedicated Fund 5029). Any balances in Fund 5029 remaining as of August 31, 2020 are appropriated for the same purpose for the fiscal year beginning September 1, 2020.

TEXAS A&M UNIVERSITY - CENTRAL TEXAS

Differences Only - Excludes Capital

House

Senate

2. **Upper Level Institution Support - Texas A&M University - Central Texas.** It is the intent of the legislature that non-formula General Revenue operations funding in Strategy C.1.1, Upper Level Institution Support, for Texas A&M University - Central Texas will be phased out by 25 percent over four biennia beginning in the 2022-23 biennium as formula funding increases, or until the institution reaches 6,000 full-time student equivalents.

TEXAS A&M UNIVERSITY - SAN ANTONIO

Differences Only - Excludes Capital

House

- 2. Transition Funding - Texas A&M University - San Antonio.** It is the intent of the legislature that non-formula General Revenue operations funding in Strategy C.1.1, Transition Funding for Texas A&M University - San Antonio will be phased out as formula funding increases until the institution reaches 6,000 full-time student equivalents.

Senate

- 2. Transition Funding - Texas A&M University - San Antonio.** It is the intent of the legislature that non-formula General Revenue operations funding in Strategy C.1.1, Transition Funding for Texas A&M University - San Antonio will be phased out by 25 percent over four biennia beginning in the 2022-23 biennium as formula funding increases, or until the institution reaches 6,000 full-time student equivalents.

TEXAS A&M UNIVERSITY - TEXARKANA

Differences Only - Excludes Capital

House

3. Transition Funding - Texas A&M University - Texarkana. It is the intent of the Legislature that non-formula General Revenue operations funding in Strategy C.3.2, Downward Expansion for Texas A&M University - Texarkana will be phased out as formula funding increases until the institution reaches 6,000 full-time student equivalents.

Senate

3. Transition Funding - Texas A&M University - Texarkana. It is the intent of the Legislature that non-formula General Revenue operations funding in Strategy C.3.2, Downward Expansion for Texas A&M University - Texarkana will be phased out by 25 percent over four biennia beginning in the 2022-23 biennium as formula funding increases, or until the institution reaches 6,000 full-time student equivalents.

UNIVERSITY OF HOUSTON

Differences Only - Excludes Capital

House

Senate

5. **College of Medicine.** Included in the amounts appropriated above in Strategy C.1.2, College of Medicine, \$10,000,000 in General Revenue in each fiscal year is contingent upon enactment of legislation by the Eighty-sixth Legislature that authorizes the creation of a College of Medicine at the University of Houston.

UNIVERSITY OF HOUSTON - CLEAR LAKE

Differences Only - Excludes Capital

House

Senate

4. **Downward Expansion Funding - University of Houston - Clear Lake.** It is the intent of the legislature that non-formula General Revenue operations funding in Strategy C.1.1, Downward Expansion for the University of Houston - Clear Lake be phased out by 25 percent over four biennia beginning in the 2018-19 biennium as formula funding increases.

UNIVERSITY OF HOUSTON - VICTORIA

Differences Only - Excludes Capital

House

- 2. Downward Expansion - University of Houston-Victoria.** It is the intent of the Legislature that non-formula General Revenue operations funding in Strategy C.1.2, Downward Expansion for the University of Houston-Victoria will be phased out as formula funding increases until the institution reaches 6,000 full-time student equivalents.

Senate

- 2. Downward Expansion - University of Houston-Victoria.** It is the intent of the Legislature that non-formula General Revenue operations funding in Strategy C.1.2, Downward Expansion for the University of Houston-Victoria will be phased out by 25 percent over four biennia beginning in the 2022-23 biennium as formula funding increases, or until the institution reaches 6,000 full-time student equivalents.

UNIVERSITY OF NORTH TEXAS AT DALLAS

Differences Only - Excludes Capital

House

- 2. Transition Funding - University of North Texas at Dallas.** It is the intent of the Legislature that non-formula General Revenue operations funding in Strategy C.1.1, Transitional Funding for the University of North Texas at Dallas will be phased out as formula funding increases until the institution reaches 6,000 full-time student equivalents.

Senate

- 2. Transition Funding - University of North Texas at Dallas.** It is the intent of the Legislature that non-formula General Revenue operations funding in Strategy C.1.1, Transitional Funding for the University of North Texas at Dallas will be phased out by 25 percent over four biennia beginning in the 2022-23 biennium as formula funding increases, or until the institution reaches 6,000 full-time student equivalents.

TEXAS TECH UNIVERSITY

Differences Only - Excludes Capital

House

- 3. Veterinary Medicine.** Texas Tech University is authorized to use funds appropriated in Strategy C.1.2, Veterinary Medicine, to initiate curriculum design and development, basic science faculty recruitment, and commencement of organization and other processes necessary to attain accreditation of the four-year veterinary medicine program.

Senate

- 3. Veterinary Medicine.** Funds appropriated to Strategy C.1.2, Veterinary Medicine, may be expended by Texas Tech University only upon the prior approval of the veterinary medicine program by either the Legislature or the Higher Education Coordinating Board.

SAM HOUSTON STATE UNIVERSITY

Differences Only - Excludes Capital

House

- 2. Criminal Justice Correctional Management Institute of Texas Fund.** Any unexpended balances from appropriations for the fiscal year ending August 31, 2019, in the Criminal Justice Correctional Management of Texas Fund (GR-Dedicated Fund 5083), estimated to be \$1,136,000, and included in amounts above, are appropriated for the same purpose for the fiscal year beginning September 1, 2019. Any balances in Fund 5083 remaining as of August 31, 2020, are appropriated for the same purpose for the fiscal year beginning September 1, 2020. Fund 5083 revenues are estimated to be \$1,747,000 in fiscal year 2020 and \$1,686,000 in fiscal year 2021.

- 3. Law Enforcement Management Institute of Texas Fund.** Any unexpended balances from appropriations for the fiscal year ending August 31, 2019, in the Law Enforcement Management Institute of Texas Fund (GR-Dedicated Fund 581), estimated to be \$1,012,000, and included in amounts above, are appropriated for the same purpose for the fiscal year beginning September 1, 2019. Any balances in Fund 581 remaining as of August 31, 2020, are appropriated for the same purpose for the fiscal year beginning September 1, 2020. Fund 581 revenues are estimated to be \$3,141,000 in fiscal year 2020 and \$3,030,000 in fiscal year 2021.

Senate

- 2. Criminal Justice Correctional Management Institute of Texas Fund.** Appropriations to Strategy C.2.4, Correctional Management Institute of Texas, include \$1,400,112 in fiscal year 2020 and \$1,400,112 in fiscal year 2021 from the Criminal Justice Correctional Management Institute of Texas Fund (GR-Dedicated Fund 5083). Any balances in Fund 5083 remaining as of August 31, 2020 are appropriated for the same purpose for the fiscal year beginning September 1, 2020.

- 3. Law Enforcement Management Institute of Texas Fund.** Appropriations to Strategy C.2.3, Law Enforcement Management of Texas, include \$3,474,128 in fiscal year 2020 and \$3,474,127 in fiscal year 2021 from the Law Enforcement Management Institute of Texas Fund (GR-Dedicated Fund 581). Any balances in Fund 581 remaining as of August 31, 2020 are appropriated for the same purpose for the fiscal year beginning September 1, 2020.

THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT SAN ANTONIO

Differences Only - Excludes Capital

House

Senate

5. Barshop Institute for Longevity and Aging Studies. Out of funds appropriated above in Strategy E.2.2, Barshop Institute for Longevity and Aging Studies, \$4,400,000 in General Revenue each fiscal year shall be used to support the Barshop Institute for Longevity and Aging Studies, Alzheimer's Disease research, and translational science. Any unexpended balances as of August 31, 2020, from the appropriations identified in Strategy E.2.2, Barshop Institute for Longevity and Aging Studies, are hereby appropriated to The University of Texas Health Science Center at San Antonio for the same purpose for the fiscal year beginning September 1, 2020.

5. Unexpended Balances Between Fiscal Years: Barshop Institute for Longevity and Aging Studies. Any unexpended balances as of August 31, 2020, from the appropriations identified in Strategy E.2.2, Barshop Institute for Longevity and Aging Studies, are hereby appropriated to The University of Texas Health Science Center at San Antonio for the same purpose for the fiscal year beginning September 1, 2020.

UNIVERSITY OF NORTH TEXAS HEALTH SCIENCE CENTER AT FORT WORTH

Differences Only - Excludes Capital

House

Senate

- 6. Prohibition Against Expenditures for Doctor of Medicine Degree Program.** None of the funds appropriated within the bill pattern for the University of North Texas Health Science Center at Fort Worth may be expended on costs associated with a Doctor of Medicine (M.D.) degree program.

TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER

Differences Only - Excludes Capital

House

Senate

- 7. Contingency for Behavioral Health Funds.** Notwithstanding appropriation authority granted above, the Comptroller of Public Accounts shall not allow the expenditure of General Revenue-Related behavioral health funds for the Texas Tech University Health Sciences Center in Strategy D.4.1, Rural Health Care in fiscal year 2020 or fiscal year 2021, as identified in Art. IX, Sec. 10.04, Statewide Behavioral Health Strategic Plan and Coordinated Expenditures, if the Legislative Budget Board provides notification to the Comptroller of Public Accounts that the agency's planned expenditure of those funds in fiscal year 2020 or fiscal year 2021 does not satisfy the requirements of Art. IX, Sec. 10.04, Statewide Behavioral Health Strategic Plan and Coordinated Expenditures.

TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER AT EL PASO

Differences Only - Excludes Capital

House

Senate

- 6. School of Dental Medicine.** Out of funds appropriated above in Strategy D.1.4, School of Dental Medicine, \$10,000,000 in General Revenue in each fiscal year of the biennium shall be used to establish a School of Dental Medicine. The school will help educate and retain dental health professionals in a region that has been designated as a Dental Health Professional Shortage Area (DHPSA) and a "high need" area for dental care providers.

PUBLIC COMMUNITY/JUNIOR COLLEGES

Differences Only - Excludes Capital

House

Senate

18. Instruction and Administration Funding (Outcomes-Based Model). Formula funding is allocated among Public Community/Junior Colleges based upon certified contact hours generated in the previous academic year. Formula funding is allocated based on each community college's points earned from a three-year average of student completion of the following metrics:

18. Instruction and Administration Funding (Outcomes-Based Model). Formula funding is allocated among Public Community/Junior Colleges based upon certified contact hours generated in the previous academic year. Formula funding is allocated based on each community college's points earned from a three-year average of student completion of the following metrics:

<u>Metric</u>	<u>Points</u>
Student successfully completes developmental education in mathematics	1.0
Student successfully completes developmental education in reading	0.5
Student successfully completes developmental education in writing	0.5
Student completes first college-level mathematics course with a grade of "C" or better	1.0
Student completes first college-level course designated as reading intensive with a grade of "C" or better	0.5
Student completes first college-level course designated as writing intensive with a grade of "C" or better	0.5
Student successfully completes first 15 semester credit hours at the institution	1.0
Student successfully completes first 30 semester credit hours at the institution	1.0
Student transfers to a General Academic Institution after successfully completing at least 15 semester credit hours at the community college, or a student in a structured co-enrollment program successfully completing at least 15 semester credit hours at the community college.	2.0
Student receives from the institution an associate's degree, a Bachelor's degree, or a certificate recognized for this purpose by the Coordinating Board in a field other than a critical field, such as Science, Technology, Engineering and Mathematics (STEM), or Allied Health.	2.0
Student receives from the institution an associate's degree, a Bachelor's degree, or a certificate recognized for this purpose by the Coordinating Board in a critical field, including the fields of Science, Technology, Engineering	

<u>Metric</u>	<u>Points</u>
Student successfully completes developmental education in mathematics	1.0
Student successfully completes developmental education in reading	0.5
Student successfully completes developmental education in writing	0.5
Student completes first college-level mathematics course with a grade of "C" or better	1.0
Student completes first college-level course designated as reading intensive with a grade of "C" or better	0.5
Student completes first college-level course designated as writing intensive with a grade of "C" or better	0.5
Student successfully completes first 15 semester credit hours at the institution	1.0
Student successfully completes first 30 semester credit hours at the institution	1.0
Student transfers to a General Academic Institution after successfully completing at least 15 semester credit hours at the institution	2.75
Student receives from the institution an associate's degree, a Bachelor's degree, or a certificate recognized for this purpose by the Coordinating Board in a field other than a critical field, such as Science, Technology, Engineering and Mathematics (STEM), or Allied Health.	1.2
Student receives from the institution an associate's degree, a Bachelor's degree, or a certificate recognized for this purpose by the Coordinating Board in a critical field, including the fields of Science, Technology, Engineering or Mathematics (STEM), or Allied Health.	3.0

PUBLIC COMMUNITY/JUNIOR COLLEGES

Differences Only - Excludes Capital
(Continued)

House

Senate

or Mathematics (STEM), or Allied Health.

2.25

24. Study of Workforce Awards. It is the intent of the Legislature that the Commissioner of Higher Education charge the Community and Technical Colleges Formula Advisory Committee, which is convened as per TEC, Section 61.059(b), with reviewing workforce awards that are not currently included in success point calculations for possible inclusion in these calculations, including proposing a definition for workforce awards.

24. Designation of Critical Field Degrees and Certificates. The Community and Technical Colleges Formula Advisory Committee, which is convened as per TEC, Section 61.059(b), shall designate following programs, as specified in the National Center for Education Statistics' Classification of Instructional Programs, as a critical field included as a metric in Rider 18; Instruction and Administration Funding (Outcomes-Based Model), in the Public Community/Junior College bill pattern, and remove their designation as a field other than a critical field included as a metric in the same rider, beginning in the 2020-21 biennium:

- a. Nuclear and Industrial Radiologic Technologies/Technicians;
- b. Physical Science Technologies/Technicians; and
- c. Heavy/Industrial Equipment Maintenance Technologies.

TEXAS A&M AGRILIFE RESEARCH

Differences Only - Excludes Capital

House

Senate

8. Study on State of Malnutrition in Texas.

- a. Out of funds appropriated above, and any received from gifts, grants, or donations, Texas A&M AgriLife Research shall prepare a report which compiles existing statewide data on the incidence and impact of malnutrition in Texas in order to increase awareness and provide a framework to achieve success in preventing and treating malnutrition.
- b. Not later than September 1, 2020, Texas A&M AgriLife Research shall report the findings and recommendations of the study conducted under Subsection (a) of this section to the Office of the Governor, the Texas Senate, and the Texas House of Representatives.

TEXAS A&M ENGINEERING EXTENSION SERVICE

Differences Only - Excludes Capital

House

Senate

3. Ensuring Texas A&M Task Force 1 and 2 Operational Readiness. Out of the General Revenue funds appropriated above, \$1,506,375 per fiscal year shall be used to support the operational readiness of Texas A&M Task Force 1, and \$1,000,000 per fiscal year shall be used to support the operational readiness of Texas A&M Task Force 2.

3. Ensuring Texas Task Force 1 and 2 Operational Readiness. Out of the General Revenue funds appropriated above, \$1,506,375 per fiscal year shall be used to support the operational readiness of Texas Task Force 1, and \$1,000,000 per fiscal year shall be used to support the operational readiness of Texas Task Force 2.

**SPECIAL PROVISIONS RELATING ONLY TO
STATE AGENCIES OF HIGHER EDUCATION**

Differences Only - Excludes Capital

House

Senate

Sec. 26. General Academic Funding. Appropriations made in this Act for formula funding for general academic institutions will consist of four formulas and supplemental items.

Sec. 26. General Academic Funding. Appropriations made in this Act for formula funding for general academic institutions will consist of four formulas and supplemental items.

- 1. Instruction and Operation Formula.** The Instruction and Operations Formula shall provide funding for faculty salaries, including nursing, departmental operating expense, library, instructional administration, research enhancement, student services, and institutional support. These funds are distributed on a weighted semester credit hour basis. The rate per weighted semester credit hour for the 2020-21 biennium is \$56.97 in fiscal year 2020 and fiscal year 2021.

- 1. Instruction and Operation Formula.** The Instruction and Operations Formula shall provide funding for faculty salaries, including nursing, departmental operating expense, library, instructional administration, research enhancement, student services, and institutional support. These funds are distributed on a weighted semester credit hour basis. The rate per weighted semester credit hour for the 2020-21 biennium is \$57.42 in fiscal year 2020 and fiscal year 2021.

Weighting is determined by the following matrix:

	Lower Div.	Upper Div.	Masters	Doctoral	Special Professional
Liberal Arts	1.00	1.73	4.11	11.35	
Science	1.57	2.78	7.10	21.72	
Fine Arts	1.46	2.58	6.27	7.87	
Teacher Ed	1.48	2.01	2.38	7.35	
Agriculture	1.98	2.44	6.87	12.43	
Engineering	2.05	3.12	5.49	17.39	
Home Economics	1.11	1.76	2.88	9.50	
Law					4.79
Social Services	1.54	1.83	2.30	20.67	
Library Science	1.87	1.62	3.12	15.47	
Vocational Training	1.15	2.79			
Physical Training	1.42	1.29			
Health Services	0.99	1.54	2.55	10.74	2.68
Pharmacy	3.12	4.41	30.82	36.55	4.32
Business Admin	1.14	1.81	3.22	25.73	
Optometry					7.54
Teacher Ed Practice	2.00	2.22			
Technology	1.97	2.31	3.46	14.25	
Nursing	1.42	2.03	2.86	10.01	
Developmental Ed	1.00				
Veterinary Medicine					24.35

Weighting is determined by the following matrix:

	Lower Div.	Upper Div.	Masters	Doctoral	Special Professional
Liberal Arts	1.00	1.73	4.11	11.35	
Science	1.57	2.78	7.10	21.72	
Fine Arts	1.46	2.58	6.27	7.87	
Teacher Ed	1.48	2.01	2.38	7.35	
Agriculture	1.98	2.44	6.87	12.43	
Engineering	2.05	3.12	5.49	17.39	
Home Economics	1.11	1.76	2.88	9.50	
Law					4.79
Social Services	1.54	1.83	2.30	20.67	
Library Science	1.87	1.62	3.12	15.47	
Vocational Training	1.15	2.79			
Physical Training	1.42	1.29			
Health Services	0.99	1.54	2.55	10.74	2.68
Pharmacy	3.12	4.41	30.82	36.55	4.32
Business Admin	1.14	1.81	3.22	25.73	
Optometry					7.54
Teacher Ed Practice	2.00	2.22			
Technology	1.97	2.31	3.46	14.25	
Nursing	1.42	2.03	2.86	10.01	
Developmental Ed	1.00				
Veterinary Medicine					24.35

- 2. Teaching Experience Supplement.** For the 2020-21 biennium, an additional weight of 10

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SPECIAL PROVISIONS RELATING ONLY TO STATE AGENCIES OF HIGHER EDUCATION

Differences Only - Excludes Capital
(Continued)

House

percent is added to lower division and upper division semester credit hours taught by tenured and tenure-track faculty. Furthermore, it is the intent of the Legislature that the weight shall increase by 10 percent per biennium, up to 50 percent.

3. **Infrastructure Support.** Funding associated with plant-related formulas and utilities shall be distributed by the infrastructure support formula which is driven by the predicted square feet for universities' educational and general activities produced by the Space Projection Model developed by the Coordinating Board. The portion of the formula related to utilities is adjusted to reflect differences in unit costs for purchased utilities, including electricity, natural gas, water and wastewater, and thermal energy. The average rate per square foot is \$5.52 in fiscal year 2020 and fiscal year 2021.
4. **Supplemental Non-formula Items.** Institutions shall receive a direct reimbursement as applicable for staff group insurance (other educational and general income portion), workers' compensation insurance, unemployment compensation insurance, public education grants, organized activities, scholarships, tuition revenue bond payments, and facility lease charges. Institutions may receive an appropriation for non-formula support items. Revenue derived from board authorized tuition would still be appropriated to the institutions levying the additional charges.
5. The General Academic Instruction and Operations and Infrastructure formulas shall incorporate the Higher Education Coordinating Board's October 2006 recommendations for mission-specific formula funding for Texas A&M University at Galveston.

These formulas and supplemental items shall be reviewed and updated by study committees appointed by the Higher Education Coordinating Board and recommended changes forwarded to the Legislature, Legislative Budget Board, and Governor by June 1, 2020. The study committees shall review the expenditure study that is used for the cost matrix above, including determining and reviewing the growth of costs affiliated with higher education and its consequent impact on higher education institutions, and make recommendations for improvements to better reflect the actual expenditures of the institutions. The study committee recommendations shall be forwarded to the Legislative Budget Board along with the recommendations on formulas and supplemental items.

Senate

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3. **Infrastructure Support.** Funding associated with plant-related formulas and utilities shall be distributed by the infrastructure support formula which is driven by the predicted square feet for universities' educational and general activities produced by the Space Projection Model developed by the Coordinating Board. The portion of the formula related to utilities is adjusted to reflect differences in unit costs for purchased utilities, including electricity, natural gas, water and wastewater, and thermal energy. The average rate per square foot is \$5.57 in fiscal year 2020 and fiscal year 2021.
4. **Supplemental Non-formula Items.** Institutions shall receive a direct reimbursement as applicable for staff group insurance (other educational and general income portion), workers' compensation insurance, unemployment compensation insurance, public education grants, organized activities, scholarships, tuition revenue bond payments, and facility lease charges. Institutions may receive an appropriation for non-formula support items. Revenue derived from board authorized tuition would still be appropriated to the institutions levying the additional charges.
5. The General Academic Instruction and Operations and Infrastructure formulas shall incorporate the Higher Education Coordinating Board's October 2006 recommendations for mission-specific formula funding for Texas A&M University at Galveston.

These formulas and supplemental items shall be reviewed and updated by study committees appointed by the Higher Education Coordinating Board and recommended changes forwarded to the Legislature, Legislative Budget Board, and Governor by June 1, 2020. The formula advisory committees shall review the Space Projection Model as it relates to distance education courses, including the different physical space and technology needs between traditional courses, online courses, and distance education courses, as well as information on associated costs of each course type.

**SPECIAL PROVISIONS RELATING ONLY TO
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Differences Only - Excludes Capital

(Continued)

House

Senate

Sec. 27. Health Related Institutions Funding. Appropriations made in this Act for formula funding for health related institutions shall consist of four formulas plus supplemental non-formula items.

- Instruction and Operations Support Formula.** The Instruction and Operations Support Formula shall provide funding on a per student or full-time equivalent basis. Funding for each instructional program is based on the following funding weights per student, with a base value per weighted student of \$9,692 in fiscal year 2020 and fiscal year 2021:

<u>Program</u>	<u>Weight Per Student</u>
Allied Health	1.000
Biomedical Science	1.018
Nursing	1.138
Pharmacy	1.670
Public Health	1.721
Biomedical Informatics	1.750
Dental	4.601
Medical	4.753

Instructional programs at remote locations and the main campus at The University of Texas Health Science Center at Tyler with enrollments of less than 200 students at individual campuses shall receive additional funding to compensate for the diseconomies of scale. The minimum formula shall generate additional funding per student, on a sliding scale, with programs with small enrollments receiving more additional funding per student.

- Infrastructure Support Formula.** Funding to the health related institutions for plant support and utilities shall be distributed by the infrastructure support formula which is driven by the predicted square feet for the health related institutions produced by the Space Projection Model developed by the Texas Higher Education Coordinating Board. The rate per square foot is \$6.27 in fiscal year 2020 and fiscal year 2021 for all health related institutions.

Because the Space Projection Model does not account for hospital space, separate infrastructure funding for hospital space at The University of Texas Medical Branch at Galveston, The

Sec. 27. Health Related Institutions Funding. Appropriations made in this Act for formula funding for health related institutions shall consist of four formulas plus supplemental non-formula items.

- Instruction and Operations Support Formula.** The Instruction and Operations Support Formula shall provide funding on a per student or full-time equivalent basis. Funding for each instructional program is based on the following funding weights per student, with a base value per weighted student of \$9,692 in fiscal year 2020 and fiscal year 2021:

<u>Program</u>	<u>Weight Per Student</u>
Allied Health	1.000
Biomedical Science	1.018
Nursing	1.138
Pharmacy	1.670
Public Health	1.721
Dental	4.601
Medical	4.753

Instructional programs at remote locations and the main campus at The University of Texas Health Science Center at Tyler with enrollments of less than 200 students at individual campuses shall receive additional funding to compensate for the diseconomies of scale. The minimum formula shall generate additional funding per student, on a sliding scale, with programs with small enrollments receiving more additional funding per student.

- Infrastructure Support Formula.** Funding to the health related institutions for plant support and utilities shall be distributed by the infrastructure support formula which is driven by the predicted square feet for the health related institutions produced by the Space Projection Model developed by the Texas Higher Education Coordinating Board. The rate per square foot is \$6.27 in fiscal year 2020 and fiscal year 2021 for all health related institutions.

Because the Space Projection Model does not account for hospital space, separate infrastructure funding for hospital space at The University of Texas Medical Branch at Galveston, The University of Texas M.D. Anderson Cancer Center, and The University of Texas Health Science

**SPECIAL PROVISIONS RELATING ONLY TO
STATE AGENCIES OF HIGHER EDUCATION**

Differences Only - Excludes Capital

(Continued)

House

Senate

University of Texas M.D. Anderson Cancer Center, and The University of Texas Health Science Center at Tyler shall be included in the total funding for hospital and center operations.

3. **Research Funding.** The health related institutions shall retain 100 percent of indirect research costs recovered on grants. Each institution also receives research enhancement funding of \$1,412,500 plus 1.22 percent in fiscal year 2020 and fiscal year 2021 of its research expenditures as reported to the Texas Higher Education Coordinating Board.
4. **Research at Clinical Partners.** Research conducted by faculty of a health related institution under a contract with a clinical partner shall be considered in the formula calculations for the Research Enhancement and E&G Space Support strategies as defined under Article III, Special Provisions Relating Only To State Agencies of Higher Education, Section 27, subsection (2) Infrastructure Support Formula and Sec. 27, subsection (3) Research Funding.
5. **Graduate Medical Education Formula.** The Graduate Medical Education Formulas shall provide funding on a per medical resident basis. Funding is based on a base value of \$11,984 per medical resident in an accredited program. Appropriations for Graduate Medical Education for fiscal year 2020 and fiscal year 2021 are \$5,992 per resident.
6. **Health Related Institution Graduate Medical Education.** The funds appropriated above in each of the health related institutions bill pattern titled Graduate Medical Education (GME) shall be spent to increase the number of resident slots in the State of Texas as well as faculty costs relating to GME. In addition, each health related institution shall work with the Higher Education Coordinating Board to develop new performance measures relating to increasing the number of resident slots in the State of Texas.
7. **Supplemental Non-formula Items.** Institutions shall receive a direct reimbursement as applicable for staff group insurance, workers' compensation insurance, unemployment insurance, public education grants, medical loans, tuition revenue bond payments, and facility lease charges. Institutions may receive an appropriation for non-formula support items and hospital and clinic operations.
8. **Formula Study Committees.** These formulas shall be reviewed and updated by study committees appointed by the Texas Higher Education Coordinating Board and recommended changes forwarded to the Legislature, Legislative Budget Board, and Governor by June 1, 2020.

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3. **Research Funding.** The health related institutions shall retain 100 percent of indirect research costs recovered on grants. Each institution also receives research enhancement funding of \$1,412,500 plus 1.22 percent in fiscal year 2020 and fiscal year 2021 of its research expenditures as reported to the Texas Higher Education Coordinating Board.
4. **Research at Clinical Partners.** Research conducted by faculty of a health related institution under a contract with a clinical partner shall be considered in the formula calculations for the Research Enhancement and E&G Space Support strategies as defined under Article III, Special Provisions Relating Only To State Agencies of Higher Education, Section 27, subsection (2) Infrastructure Support Formula and Sec. 27, subsection (3) Research Funding.
5. **Graduate Medical Education Formula.** The Graduate Medical Education Formulas shall provide funding on a per medical resident basis. Funding is based on a base value of \$11,984 per medical resident in an accredited program. Appropriations for Graduate Medical Education for fiscal year 2020 and fiscal year 2021 are \$5,992 per resident.
6. **Health Related Institution Graduate Medical Education.** The funds appropriated above in each of the health related institutions bill pattern titled Graduate Medical Education (GME) shall be spent to increase the number of resident slots in the State of Texas as well as faculty costs relating to GME. In addition, each health related institution shall work with the Higher Education Coordinating Board to develop new performance measures relating to increasing the number of resident slots in the State of Texas.
7. **Supplemental Non-formula Items.** Institutions shall receive a direct reimbursement as applicable for staff group insurance, workers' compensation insurance, unemployment insurance, public education grants, medical loans, tuition revenue bond payments, and facility lease charges. Institutions may receive an appropriation for non-formula support items and hospital and clinic operations.
8. **Formula Study Committees.** These formulas shall be reviewed and updated by study committees appointed by the Texas Higher Education Coordinating Board and recommended changes forwarded to the Legislature, Legislative Budget Board, and Governor by June 1, 2020.

**SPECIAL PROVISIONS RELATING ONLY TO
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Differences Only - Excludes Capital
(Continued)

House

9. **Mission Specific Support.** The University of Texas M.D. Anderson Cancer Center and The University of Texas Health Science Center at Tyler do not provide formal medical education which qualifies for instruction support under subsection 1 above. Therefore, funding allocated to these institutions shall be based on the following criteria:
- a. The General Revenue Operations formula funding provided to The University of Texas M.D. Anderson Cancer Center in Strategy A.2.1, Cancer Center Operations, shall be based on the total number of Texas cancer patients served at The University of Texas M. D. Anderson Cancer Center. General Revenue appropriations for fiscal year 2020 and 2021 shall be based on the number of total Texas cancer patients served in 2018. The rate per patient shall be \$1,697 in fiscal year 2020 and fiscal year 2021 for Strategy A.2.1, Cancer Center Operations. For formula funding purposes, the amount of growth in total funding from one biennium to another may not exceed the average growth in funding for Health Related Institutions in the Instruction and Operations formula for the current biennium.
 - b. The University of Texas Health Science Center at Tyler has a statutory mission to conduct research, develop diagnostic and treatment techniques, provide training and teaching programs, and provide diagnosis and treatment of inpatients and outpatients with pulmonary, respiratory and other diseases of the chest. General Revenue funds appropriated to The University of Texas Health Science Center at Tyler in Strategy A.1.4, Chest Disease Center Operations, shall be based on the number of cases in which disease diagnoses are treated by The University of Texas Health Science Center at Tyler. General Revenue appropriations for fiscal year 2020 and 2021 shall be based on the number of such cases treated in fiscal year 2018. The rate per case for fiscal year 2020 and 2021 shall be \$189. For formula funding purposes, the amount of growth in total funding from one biennium to another may not exceed the average growth in funding for Health Related Institutions in the Instruction and Operations formula for the current biennium.
 - c. The University of Texas M.D. Anderson Cancer Center and The University of Texas Health Science Center at Tyler shall submit to the Legislative Budget Board, Governor, and Texas Higher Education Coordinating Board a copy of the appropriate reports discussed above and supporting documentation which provides the necessary information to calculate the formula allocations in subsections (a) and (b) above.

Senate

9. **Mission Specific Support.** The University of Texas M.D. Anderson Cancer Center and The University of Texas Health Science Center at Tyler do not provide formal medical education which qualifies for instruction support under subsection 1 above. Therefore, funding allocated to these institutions shall be based on the following criteria:
- a. The General Revenue Operations formula funding provided to The University of Texas M.D. Anderson Cancer Center in Strategy A.2.1, Cancer Center Operations, shall be based on the total number of Texas cancer patients served at The University of Texas M. D. Anderson Cancer Center. General Revenue appropriations for fiscal year 2020 and 2021 shall be based on the number of total Texas cancer patients served in 2018. The rate per patient shall be \$1,697 in fiscal year 2020 and fiscal year 2021 for Strategy A.2.1, Cancer Center Operations. For formula funding purposes, the amount of growth in total funding from one biennium to another may not exceed the average growth in funding for Health Related Institutions in the Instruction and Operations formula for the current biennium.
 - b. The University of Texas Health Science Center at Tyler has a statutory mission to conduct research, develop diagnostic and treatment techniques, provide training and teaching programs, and provide diagnosis and treatment of inpatients and outpatients with pulmonary, respiratory and other diseases of the chest. General Revenue funds appropriated to The University of Texas Health Science Center at Tyler in Strategy A.1.4, Chest Disease Center Operations, shall be based on the number of cases in which disease diagnoses are treated by The University of Texas Health Science Center at Tyler. General Revenue appropriations for fiscal year 2020 and 2021 shall be based on the number of such cases treated in fiscal year 2018. The rate per case for fiscal year 2020 and 2021 shall be \$189. For formula funding purposes, the amount of growth in total funding from one biennium to another may not exceed the average growth in funding for Health Related Institutions in the Instruction and Operations formula for the current biennium.
 - c. The University of Texas M.D. Anderson Cancer Center and The University of Texas Health Science Center at Tyler shall submit to the Legislative Budget Board, Governor, and Texas Higher Education Coordinating Board a copy of the appropriate reports discussed above and supporting documentation which provides the necessary information to calculate the formula allocations in subsections (a) and (b) above.

10. **Mission Specific Support - Performance Based Research Operations Formula.** The
III-34

April 10, 2019

**SPECIAL PROVISIONS RELATING ONLY TO
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Differences Only - Excludes Capital
(Continued)

House

Senate

10. **Pilot Program: Mission Specific Support - Performance Based Research Formula.** The University of Texas Southwestern Medical Center has a mission that is research intensive. To enhance research capacity and support expansion of the institution's research operations, additional research formula funding shall be allocated based on the following criteria:

- a. General Revenue Research Operations Formula funding provided to The University of Texas Southwestern Medical Center in Strategy B.1.2, Performance Based Research Operations, shall be based on the institution's average annual research expenditures for the previous three-year period as reported to the Higher Education Coordinating Board. The institution's Performance Based Research Operations strategy shall be expended for the purpose of research operations, expanding research capacity, and pursuing excellence in its research mission. Any unexpended balances as of August 31, 2020, are hereby appropriated for the same purpose for the fiscal year beginning September 1, 2020.

For formula funding purposes, the amount of growth in total funding from one biennium to another may not exceed the average growth in funding for Health Related Institutions in the Instruction and Operations formula for the current biennium. The Legislative Budget Board shall implement the funding in accordance with this limitation. The mission specific Performance Based Research Operations formula established in this subsection is a pilot formula for the 2020-21 biennium that expires at the end of the fiscal year ending August 31, 2021.

University of Texas Southwestern Medical Center has a mission that is research intensive. To enhance research capacity, assist the institution in leveraging research grants and gifts, and support expansion of the institution's research operations, additional research formula funding shall be provided based on the following criteria:

- a. General Revenue Research Operations Formula funding provided to The University of Texas Southwestern Medical Center in Strategy B.1.2, Performance Based Research Operations Formula, shall be allocated to the institution through two mechanisms.
 - 1) Base Match allocations shall be based on the institution's average annual research expenditures for the previous three-year period as reported to the Higher Education Coordinating Board, excluding research expenditures from state appropriations. The Base Match rate shall be 12.1 percent for each fiscal year of the 2020-21 biennium.
 - 2) Performance Incentive Tiered Match allocations shall be based on the increase of the institution's average annual research expenditures since the prior biennium. The calculation of this increase shall be based on the average annual research expenditures for the two-year base period preceding each biennium, as reported to the Higher Education Coordinating Board, excluding research expenditures from state appropriations. The Tiered Match shall allocate funding in three tiers that increase on a sliding scale. Tier 1 shall provide matching General Revenue funds at a rate of 20.0 percent for any increase in the institution's average annual research expenditures between \$0 and \$12,500,000. Tier 2 shall provide matching General Revenue funds at a rate of 40.0 percent for any increase in the institution's average annual research expenditures between \$12,500,000 and \$25,000,000. Tier 3 shall provide matching General Revenue funds at a rate of 60.0 percent for any increase in the institution's average annual research expenditures greater than \$25,000,000.

The institution's Performance Based Research Operations Formula shall be expended for the purpose of research operations, expanding research capacity, and pursuing excellence in its research mission. Any unexpended balances as of August 31, 2020, are hereby appropriated for the same purpose for the fiscal year beginning September 1, 2020.

For formula funding purposes, the amount of growth in total funding for the Performance Based Research Operations Formula from one biennium to another may not exceed 5.0 percent of the

**SPECIAL PROVISIONS RELATING ONLY TO
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Differences Only - Excludes Capital
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institution's total General Revenue appropriations in the prior biennium, excluding tuition revenue bond debt service. The Legislative Budget Board shall implement the funding in accordance with this limitation.